

Message Text

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ACTION SS-20

INFO OCT-01 ARA-16 ISO-00 SSO-00 SPC-03 EB-11 DRC-01 RSC-01

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O R 261714Z MAR 74

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC IMMEDIATE 1904

INFO AMCONSUL MEDELLIN

UNCLAS SECTION 1 OF 2 BOGOTA 2516

E O 11652 NA

TAGS ETRD, CO

SUBJ: COUNTERVAILING DUTY - LETTER FROM FORN MIN VAZQUEZ CARRIZOSA
TO SECY KISSINGER

REF BOGOTA 2500

1. THERE FOLS INFORMAL TRANSLATION OF SUBJ LETTER DATED MAR 25/74:
"HIS EXCELLENCY MR HENRY A KISSINGER, SECRETARY OF STATE OF THE
UNITED STATES OF AVERICA, WASHINGTON, D.C. ALLOW ME TO INFORM YOUR
EXCELLENCY THAT, FOLLOWING THE CONFERENCE OF TLATELOLCO HELD
THIS YEAR WITH THE OBJECT OF SEEKING A MORE JUST AND MORE DYNAMIC
POLICY OF COOPERATION BETWEEN THE UNITED STATES AND LATIN AMERICA,
THE UNITED STATES EMBASSY IN BOGOTA RECEIVED INSTRUCTIONS TO
INFORM MY MINISTRY THAT THE DEPARTMENT OF THE TREASURY OF THAT
COUNTRY WILL SOON INITIATE DISCUSSIONS TO APPLY COUNTERVAILING
DUTIES ON THE IMPORTATION OF COLOMBIAN FLOWERS, IN APPLICATION OF
THE TARIFF ACT OF 1930.

THE GOVERNMENT OF COLOMBIA HAS BEEN INVITED TO PROVIDE THE PER-
TINENT FACTS AND COLOMBIAN EXPERTS ARE READY TO DEMONSTRATE TO
THE DEPARTMENT OF THE TREASURY THAT, FROM THE TECHNICAL POINT
OF VIEW, THE SO-CALLED "TAX PAYMENT CERTIFICATES" THAT EXIST
IN MY COUNTRY DO NOT RIGOROUSLY CONSTITUTE A SUBSIDY THAT JUS-
TIFIES THE APPLICATION OF SECTION 303 OF THE TARIFF ACT OF 1930.
I SHOULD ADD TO YOUR EXCELLENCY THAT, IN THE MENTIONED CASE,
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WE ARE DEALING WITH MEASURES CONTEMPLATED WITHIN THE DEVELOPMENT

PLANS OF COLOMBIA FOR DEVELOPMENT AND DIVERSIFICATION OF OUR EXPORTS.

THE CULTIVATION OF FLOWERS OF HIGH QUALITY IN THE OUTSKIRTS OF OUR PRINCIPAL URBAN CENTERS HAS COME TO BE A PROSPEROUS INDUSTRY THAT EMPLOYS CONSIDERABLE LABOR. WE ARE DEALING WITH A CLEAR EXAMPLE OF DIVERSIFICATION OF EXPORTS AWAY FROM COFFEE, WHICH HAS CONSTITUTED FOR COLOMBIA ITS TRADITIONAL PRODUCT IN TRADE WITH OTHER NATIONS. I COULD INDICATE THE FIGURES THAT THIS NEW EXPORT PRODUCT HAS ALREADY REACHED, BUT EVEN IN THE CASE THAT THIS HAD NOTHING BUT A RELATIVE IMPORTANCE IN OUR BALANCE OF TRADE, THE IMPOSITION OF A COUNTERVAILING DUTY ON COLOMBIAN FLOWERS WOULD BE IN ANY CASE A MEASURE THAT WOULD AFFECT THE EMPLOYMENT POLICY THAT MY GOVERNMENT HAS ADOPTED.

I SHOULD NOT CONCEAL FROM YOUR EXCELLENCY THE VERY PREJUDICIAL EFFECTS OF A MEASURE SUCH AS PROPOSED BY THE DEPARTMENT OF THE TREASURY ON THE ECONOMY OF THE COUNTRY AND THE BAD PRECEDENT THAT WOULD BE ESTABLISHED IN OUR RECIPROCAL TRADE. BUT I MUST, AT THE SAME TIME, CALL THE ATTENTION OF YOUR EXCELLENCY TO OTHER CONSEQUENCES NO LESS SERIOUS THAN THAT MEASURE, THAT THE COUNTERVAILING DUTY IMPOSED ON A NEW COLOMBIAN EXPORT ARTICLE WOULD BE EQUIVALENT TO NOTHING LESS THAN A COMMERCIAL REPRISAL BY A HIGHLY INDUSTRIALIZED COUNTRY ON A DEVELOPING COUNTRY, AND IN THIS ASPECT, WOULD SIGNIFY A RETROGRESSION IN THE GENERAL POLICY OF ECONOMIC COOPERATION DISCUSSED AND ACCEPTED BY THE UNITED STATES IN INTERNATIONAL ORGANIZATIONS.

THE TARIFF ACT THAT HAS BEEN INVOKED WITH RESPECT TO COLOMBIA DATES FROM 44 YEARS AGO, AND NECESSARILY COULD NOT FORESEE THE EXISTENCE OF THIS POLICY OF ECONOMIC COOPERATION THAT THE RICH COUNTRIES HAVE ACCEPTED IN RECENT YEARS, AS A CONSEQUENCE OF INTERNATIONAL ECONOMIC JUSTICE FOR THE COUNTRIES OF THE THIRD WORLD. PERMIT ME TO POINT OUT TO YOUR EXCELLENCY, PRECISELY ON THIS ASPECT, THAT COLOMBIAN PROGRAMS OF ECONOMIC DEVELOPMENT ARE AN APPLICATION OF SUCH PRINCIPLES AND PROGRAMS ACCEPTED IN THE UNITED NATIONS, AS WELL AS THE ORGANIZATION OF AMERICAN STATES AND IN THE CONFERENCES OF UNCTAD AND MEETINGS OF GATT.

IN ORDER TO RECALL SOME OF THOSE PRINCIPLES AND PROGRAMS, IT IS UNCLASSIFIED

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ENOUGH FOR ME TO REFER TO NONDISCRIMINATORY AND NONRECIPROCAL PREFERENTIAL TREATMENT IN FAVOR OF COUNTRIES ON THE ROAD TO DEVELOPMENT AND TO THE FACT OF THE UNITED STATES HAVING PARTICIPATED, MORE THAN TEN YEARS AGO, IN THE PROMOTION OF A "NEW DEVELOPMENT STRATEGY" IN THE UNITED NATIONS, THROUGH RESOLUTIONS SUCH AS NUMBER 1785, APPROVED BY THE 18TH ORDINARY SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY. THIS RESOLUTION SEEKS AN EXPANSION OF INTERNATIONAL TRADE IN AN EQUITABLE MANNER FOR THE COUNTRIES OF THE THIRD WORLD

AND SPECIFICALLY POSTULATES THREE OBJECTIVES: (A) TO INCREASE THE TRADE OF THE COUNTRIES ON THE ROAD TO DEVELOPMENT, AS MUCH IN PRIMARY PRODUCTS AS IN MANUFACTURES AND SEMIMANUFACTURES; (B) TO ASSURE THAT THE EXPORTS OF DEVELOPING COUNTRIES OBTAIN STABLE, FAIR AND REMUNERATIVE PRICES AND A GROWING DEMAND; AND (C) TO ELIMINATE GRADUALLY IN INDUSTRIALIZED COUNTRIES, WHETHER INDIVIDUALLY OR COLLECTIVELY, TARIFF, NON-TARIFF AND OTHER TYPES OF BARRIERS.

IT IS NOT AN ISOLATED CASE THAT IS PRESENTED BY THE MEASURE PROJECTED BY THE DEPARTMENT OF THE TREASURY,

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BUT ONE WHICH PUTS IN DOUBT THE WHOLE SET OF INTERNATIONAL PRINCIPLES AND PROGRAMS OF ECONOMIC COOPERATION. THE VERY INTENTION OF BRINGING OURSELVES CLOSER TO A MORE FAIR AND JUST INTERNATIONAL TRADE REGIME TOWARD COUNTRIES ON THE ROAD TO DEVELOPMENT, DEPENDS ON INDUSTRIALIZED COUNTRIES LIKE THE UNITED STATES PURSUING THE NEGOTIATIONS WHOSE OPENING WAS ANNOUNCED IN TOKYO SEPTEMBER 14 LAST YEAR, ON THE FUNDAMENTAL POSTULATE THAT THE MORE DEVELOPED COUNTRIES WOULD NOT EXPECT THAT THE POOR COUNTRIES MAKE CONTRIBUTIONS INCOMPATIBLE WITH THEIR DEVELOPMENTAL, FINANCIAL AND TRADE REQUIREMENTS.

PREFERENTIAL TREATMENT FOR THE COUNTRIES ON THE ROAD TO DEVELOPMENT, THE SAME AS THE POLICY STATED SINCE 1970 BY THE PRESIDENT OF THE UNITED STATES FOR LATIN AMERICA, WOULD BE SEEN TO BE COMPROMISED AND CERTAINLY PUT IN QUESTION. BUT THE MEASURE TO WHICH I REFER HAS BEEN INVOKED ON THE BASIS OF A 44 YEAR OLD LAW, AFTER THE

CONFERENCE OF TLATELOLCO HAD BEEN CELEBRATED, IN WHICH YOUR EXCELLENCY HAD THE OPPORTUNITY TO REAFFIRM THE DESIRE OF THE UNITED STATES TO INITIATE A "NEW DIALOGUE" WITH LATIN AMERICA, AND A FEW WEEKS BEFORE HOLDING THE FOREIGN MINISTERS CONFERENCE OF THE AMERICAN STATES WE WILL REALIZE ON YOUR EXCELLENCY'S INVITATION IN THE CITY OF WASHINGTON ON THE 17TH AND 18TH OF NEXT APRIL.

I HAVE THE IMPRESSION, MR. SECRETARY OF STATE, THAT THE CASE OF COLOMBIAN FLOWER EXPORTS TO THE UNITED STATES HAS A MUCH GREATER SIGNIFICANCE THAN A SIMPLE MATTER OF CUSTOMS TARIFFS AND THAT IT

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RAISES THE MORE ESSENTIAL QUESTION OF KNOWING IF THE UNITED STATES SINCERELY WANTS TO SUPPORT THE POLICY OF EXPORT DIVERSIFICATION IN DEVELOPING COUNTRIES; IF IT THINKS THAT THERE SHOULD BE DIFFERENTIAL AND NON-RECIPROCAL TREATMENT FOR THE SAME COUNTRIES AND IF A NEW INDUSTRY THAT IS A GENERATOR OF EMPLOYMENT IN THE OUTSKIRTS OF OUR LARGE CITIES CAN BE THE OBJECT OF COMMERCIAL REPRISALS ON THE PART OF A HIGHLY INDUSTRIALIZED COUNTRY.

IT WOULD BE MORE APPROPRIATE IF AT LEAST WHILE THE CONFERENCE OF FOREIGN MINISTERS OF THE AMERICAN STATES, CONVOKED FOR A FEW WEEKS HENCE, IS MEETING, AND PREFERABLY WHILE THE NEGOTIATIONS INITIATED UNDER THE AUSPICES OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE ARE UNDERWAY AND IN THE MEANTIME NEW CONCLUSIONS ARE ARRIVED AT IN THESE FORUMS, THE RICHER AND MORE INDUSTRIALIZED COUNTRIES NOT IMPOSE OR APPLY ANY MEASURES THAT MAKE TRADE EXPANSION AND INTERNAL PROGRESS OF THE COUNTRIES ON THE ROAD TO DEVELOPMENT MORE DIFFICULT.

COLOMBIA HAS SINCERELY WISHED TO ASSIST THE ESTABLISHMENT OF A NEW POLICY BETWEEN THE UNITED STATES AND LATIN AMERICA. THIS SHOULD HAVE ITS NATURAL AND OBVIOUS CONSEQUENCES IN THE FACILITIES THAT A HIGHLY DEVELOPED COUNTRY RECOGNIZES FOR THE REST OF THE DEVELOPING COUNTRIES OF THE WESTERN HEMISPHERE. THE PEOPLE OF LATIN AMERICA WOULD NOT UNDERSTAND THAT THE POLICY OF THE "NEW DIALOGUE" WOULD PROCEED ON A BASIS OTHER THAN AROUND THAT OF ECONOMIC JUSTICE FOR THE COUNTRIES OF THIS CONTINENT, THAT I WAS PERMITTED TO ENUNCIATE IN THE SPEECH I MADE IN THE NAME OF LATIN AMERICA IN THE INAUGURAL SESSION OF THE CONFERENCE OF TLATELOLCO.

I RECOGNIZE THE IMPORTANT PERSONAL CONTRIBUTION THAT YOUR EXCELLENCY HAS HAD IN THE CREATION OF A NEW POLICY OF CONTINENTAL COOPERATION. I AM SURE, THEREFORE, THAT THE CONSIDERATIONS IN THIS MESSAGE WILL BE FOUND JUST AND THAT IT WILL BE POSSIBLE TO AVOID THE MEASURES THAT THE DEPARTMENT OF THE TREASURY HAS PROPOSED.

PLEASE ACCEPT, MR. SECRETARY OF STATE, THE ASSURANCES OF MY VERY

HIGH CONSIDERATION. ALFREDO VAZQUEZ CARRIZOSA, MINISTER OF FOREIGN
RELATIONS OF COLOMBIA."
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